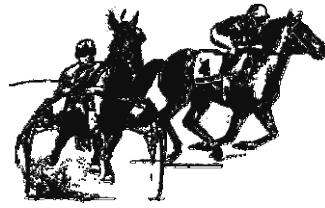


**Manitoba**



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**ANNUAL  
REPORT  
2020-2021**

**RAPPORT  
ANNUEL  
2020-2021**

**Manitoba  
Horse Racing  
Commission**

**Commission  
hippique du  
Manitoba**

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Brett Arnason (Chair)  
Peter Fuchs (Vice-Chair)  
Marg Homenuik (Member)  
Robert King (Member)  
Darrell Stephansson (Member)  
Executive Director: Kristianne Dechant

## MANITOBA HORSE RACING COMMISSION

PO BOX 46086 WESTDALE  
WINNIPEG MB R3R 3S3

Telephone: 204-885-7770 Facsimile: 204-831-0942  
www.manitobahorsecomm.org

June 1, 2021

Le 1 juin 2021

The Honourable Cameron Friesen  
Minister of Justice and Attorney General  
Room 104, Legislative Building  
450 Broadway  
Winnipeg, MB R3C 0V8

L'honorable Cameron Friesen  
Ministre de la Justice et procureur général  
Palais législatif, bureau 104  
450 Broadway  
Winnipeg (Manitoba) R3C 0V8

Dear Minister Friesen:

Monsieur le Ministre,

The undersigned has the honour to present the fifty-fifth annual report of the Manitoba Horse Racing Commission covering the fiscal year ended March 31, 2021.

Le soussigné a l'honneur de présenter le cinquante-cinquième rapport annuel de la Commission hippique du Manitoba couvrant l'exercice financier se terminant le 31 mars 2021.

Yours truly,

Cordialement,

Brett Arnason  
Chair, Manitoba Horse Racing Commission

Brett Arnason  
Président, Commission hippique du Manitoba

### MANITOBA HORSE RACING COMMISSION COMMISSIONERS

Brett Arnason, Chair  
Winnipeg

Peter Fuchs, Vice-Chair  
Winnipeg

Marg Homenuik, Member  
Winnipeg

Robert King, Member  
Winnipeg

Darrell Stephansson, Member  
Winnipeg

### COMMISSION HIPPIQUE DU MANITOBA COMMISSAIRES

Brett Arnason, Président  
Winnipeg

Peter Fuchs, Vice-président  
Winnipeg

Marg Homenuik, Membre  
Winnipeg

Robert King, Membre  
Winnipeg

Darrell Stephansson, Membre  
Winnipeg

**MANITOBA HORSE RACING  
COMMISSION**

**ANNUAL REPORT 2020-2021**

**TABLE OF CONTENTS**

Year in Review	1
Thoroughbred and Simulcast	4
Standardbred (Rural)	5
Licences and Registrations	6
Rulings, Fines and Suspensions	7
Management Report	8
Financial Statements	9

**COMMISSION HIPPIQUE  
DU MANITOBA**

**RAPPORT ANNUEL 2020-2021**

**TABLE DES MATIÈRES**

L'année en revue	1
Purs-sangs et diffusion simultanée	4
Standardbred (rural)	5
Licences et enregistrements	6
Décisions, amendes et suspensions	7
Rapport de gestion	8
États financiers	9



## YEAR IN REVIEW

### General

This report covers the twelve-month period ending March 31, 2021.

Under The Horse Racing Commission Act, the Manitoba Horse Racing Commission (MHRC) is given the power and responsibility to govern, direct, control and regulate horse racing in Manitoba, and the operation of all race tracks in the province that offer pari-mutuel betting. Pursuant to this responsibility, the MHRC passes and enforces rules, issues licences to all industry participants and racetrack operators, and generally oversees all aspects of horse racing to ensure that it is carried out in a fair and safe manner, and perceived as such by the public.

Additionally, under The Horse Racing Commission Act, the MHRC is to perform other duties and functions that may be imposed by the Lieutenant-Governor-in-Council. The MHRC's core functions as a regulator do not include a role in the advocacy or promotion of horse racing, as in some other jurisdictions.

### Live Racing

The COVID-19 pandemic presented challenges to live horse racing for the 2020 racing season. Uncertainty in early 2020 raised the question of whether live racing would occur during the season, as many jurisdictions around the world closed their tracks. Collaboration between the MHRC, Manitoba Public Health and industry stakeholders ensured racing could happen in a safe and socially distant manner in the province. Thoroughbred racing occurred without in-person spectators. Races were broadcast and available worldwide through simulcast

## L'ANNÉE EN REVUE

### Général

Le présent rapport couvre la période de douze mois prenant fin le 31 mars 2021.

En vertu de la Loi sur la Commission hippique du Manitoba, la Commission s'est vu confier le pouvoir et la responsabilité de régir, diriger, contrôler et régler les courses de chevaux au Manitoba et d'exploiter tous les hippodromes offrant des courses axées sur le pari mutuel. Par ailleurs, la Commission vote et applique des règlements, autorise les intervenants du secteur et les exploitants d'hippodromes, et surveille tous les aspects de la course hippique pour garantir qu'elle se déroule d'une manière équitable et sûre, et qu'elle soit perçue comme telle par le public.

En outre, en vertu de la Loi sur la Commission hippique du Manitoba, la Commission est amenée à exécuter d'autres tâches et fonctions qui peuvent lui être imposées par le lieutenant-gouverneur en conseil. La Commission a essentiellement un rôle de régulateur; à l'inverse de certaines commissions d'autres provinces, la promotion ou la défense de la course hippique ne fait pas partie de ses fonctions.

### Courses en direct

La pandémie de la COVID-19 a posé des défis aux courses de chevaux en direct pendant la saison 2020. L'incertitude au début de 2020 a soulevé la question de savoir si les courses en direct auraient lieu pendant la saison, car de nombreuses administrations dans le monde ont fermé leurs pistes. La collaboration entre la Commission, la Santé publique du Manitoba et les intervenants du secteur a permis d'assurer que les courses puissent avoir lieu de manière sûre et socialement distante dans la province. Les courses de pur-sang se sont déroulées sans spectateurs en

wagering, and standardbred racing was centralized at a single racetrack, the Miami Agricultural Society Grounds in Miami, Manitoba.

Despite the uncertainty created by the pandemic, Manitoba's racing industry was able to have a successful year while ensuring public and race participant safety during this unprecedented time.

Assiniboia Downs conducted 50 days of live thoroughbred racing, commencing May 25, 2020 through September 15, 2020. Total live thoroughbred wagering at Assiniboia Downs was \$2,149,781, which is a decrease from the previous year. However, wagering on live racing from partner racetracks was \$61,114,220 in 2020, a significant increase from \$9,350,808 in 2019.

Standardbred racing continued during the summer of 2020, with 10 days of live action held only at the Miami Agricultural Society Grounds due to the COVID-19 pandemic. Total live standardbred wagering was \$29,276, which is a slight increase over the previous year. The Manitoba Standardbred Racing Industry entered the simulcast market in 2020 by broadcasting live racing to partner racetracks, resulting in \$43,187 wagered on racing in Miami, Manitoba.

### **Simulcast Wagering**

Total simulcast wagering for 2020-2021 was \$19,904,089, which is a slight increase above the previous year.

personne. Les courses étaient diffusées et disponibles dans le monde entier grâce aux paris en diffusion simultanée, et les courses de chevaux de race standardbred ont été centralisées dans un seul hippodrome, le Miami Agricultural Society Grounds, à Miami, au Manitoba.

Malgré l'incertitude créée par la pandémie, le secteur des courses du Manitoba a pu connaître une année fructueuse tout en veillant à la sécurité du public et des participants aux courses pendant cette période sans précédent.

Du 25 mai 2020 au 15 septembre 2020, Assiniboia Downs a connu 50 jours de courses de pur-sang en direct. Le total des paris s'est élevé à 2 149 781 \$, ce qui représente une baisse par rapport à l'année dernière. Les paris sur les courses en direct des hippodromes partenaires se sont élevés à 61 114 220 \$ en 2020, soit une augmentation importante par rapport aux 9 350 808 \$ en 2019.

Les courses de chevaux de race standardbred se sont poursuivies pendant l'été 2020 avec dix jours de courses en direct ayant eu lieu seulement au Miami Agricultural Society Grounds en raison de la pandémie de COVID-19. Le total des paris s'est élevé à 29 276 \$, ce qui représente une légère augmentation par rapport à l'année dernière. Le secteur des courses de chevaux de race standardbred a fait son entrée sur le marché de la diffusion simultanée en 2020 en diffusant des courses en direct aux hippodromes partenaires, ce qui a entraîné des paris de 43 187 \$ sur les courses à Miami, au Manitoba.

### **Paris en diffusion simultanée**

Le total des paris en diffusion simultanée en 2020-2021 était de 19 904 089 \$, ce qui représente une légère augmentation par rapport à l'année dernière.

## Summary

The regulatory integration of the MHRC into the Liquor, Gaming and Cannabis Authority of Manitoba (LGCA) continued in 2020-2021. Due to delays caused by the COVID-19 pandemic, The Horse Racing Regulatory Modernization Act was reintroduced on October 14, 2020 as Bill 31. The bill received second reading on March 10, 2021. Bill 31 was studied at Standing Committee on March 23, 2021 and has now been moved to third reading.

To further assist with melding the MHRC into the LGCA's existing regulatory oversight, Peter Fuchs, vice-chair of the MHRC was appointed to the LGCA's board in March 2021. This appointment will help transition the board oversight of horse racing to the LGCA, and Mr. Fuchs' experience with the MHRC board and horse racing industry will be of great benefit.



Brett Arnason  
Chair, Manitoba Horse Racing Commission

## Résumé

L'intégration réglementaire de la Commission à la Régie des alcools, des jeux et du cannabis du Manitoba (Régie) s'est poursuivie en 2020-2021. En raison d'un délai dû à la pandémie, la Loi sur la modernisation de la réglementation des courses de chevaux a été présentée de nouveau le 14 octobre 2020 sous le nom de projet de loi 31. Le projet de loi 31 a passé l'étape de la deuxième lecture le 10 mars 2021. Le projet de loi 31 a été étudié par le Comité permanent le 23 mars 2021 et est maintenant passé à l'étape de la troisième lecture.

Pour faciliter l'intégration de la Commission à la surveillance réglementaire actuelle de la Régie, Peter Fuchs, vice-président de la Commission, a été nommé au conseil de la Régie en mars 2021. Cette nomination contribuera à la transition de la surveillance des courses de chevaux par le conseil de la Régie, et l'expérience de M. Fuchs avec le conseil de la Commission et le secteur des courses de chevaux sera très utile.



Brett Arnason  
Président, Commission hippique du Manitoba

## THOROUGHBRED AND SIMULCAST/PURS-SANGS ET DIFFUSION SIMULTANÉE

### ASSINIBOIA DOWNS/ASSINIBOIA DOWNS

<b>Live Racing/ Courses en direct</b>	<b>2020/21</b>	<b>2019/20</b>
Wagering on live racing (on track)/Paris sur les courses en direct (sur piste)	<b>\$2,149,781</b>	\$3,117,046
Wagering on live racing (partners)/Paris sur les courses en direct (partenaires)	<b>\$61,114,220</b>	\$9,350,808
Total live wagering/Total des paris en direct	<b>\$63,264,001</b>	\$12,467,854
Number of live race days/Nombre de jours de courses en direct	<b>50</b>	50
<b>Number of live races/ Nombre de courses en direct</b>	<b>2020/21</b>	<b>2019/20</b>
Overnight/Course ordinaire	<b>308</b>	350
Stakes/Course stake	<b>26</b>	26
Average daily wagering (live)/Moyenne des paris journaliers (en direct)	-	\$65,096
Purse paid out (overnights)/Bourse versée (ordinaires)	<b>\$2,954,800</b>	\$3,254,800
Purse paid out (stakes)/Bourse versée (stakes)	<b>\$740,500</b>	\$820,000
<b>Simulcast Racing/ Courses en diffusion simultanée</b>	<b>2020/21</b>	<b>2019/20</b>
<b>Simulcast Wagering/Paris en diffusion simultanée</b>		
Number of race days/Nombre de jours de courses	<b>364</b>	364
Total simulcast/Total des paris en diffusion simultanée	<b>\$19,904,089</b>	\$18,405,189
<b>Pari-mutuel Wagering/Pari mutuel</b>		
Number of race days/Nombre de jours de courses	<b>364</b>	364
Total pari-mutuel/Total des paris mutuels	<b>\$22,053,870</b>	\$21,522,235



**STANDARD BRED (RURAL)/STANDARD BRED (RURAL)**

**RURAL RACING/COURSES RURALES**

<b>Racing Days/ Jours de courses</b>	<b>2020/21</b>	<b>2019/20</b>
Glenboro	0	2
Holland	0	2
Killarney	0	2
Miami	10	4
<b>Total/ Total</b>	<b>10</b>	<b>10</b>

<b>Amount Wagered/ Montant parié</b>	<b>2020/21</b>	<b>2019/20</b>
Glenboro	\$0	\$7,407
Holland	\$0	\$4,967
Killarney	\$0	\$5,693
Miami	\$29,276	\$5,566
<b>Total/ Total</b>	<b>\$29,279</b>	<b>\$23,633</b>

## LICENCES AND REGISTRATIONS/LICENCES ET ENREGISTREMENTS

Occupational Licences/ Licences de professionnel	Thoroughbred/ Purs-sangs		Standardbred/ Standardbred	
	2020/21	2019/20	2020/21	2019/20
Owner/Trainer/Propriétaire ou entraîneur	54	60	12	13
Trainer/Entraîneur	14	11	0	0
Assistant Trainer/Entraîneur adjoint	9	6	0	0
Owner/Trainer/Driver/Propriétaire, entraîneur et conducteur	0	0	14	14
Owner/Driver/Propriétaire ou conducteur	0	0	1	0
Jockey (1/4 and amateur included)/Jockey (1/4 et amateurs inclus)	15	21	0	0
Apprentice Jockey/Exercise Rider/Pony/Apprenti jockey, conducteur d'exercice ou poney	71	48	0	0
Driver/Conducteur	0	0	5	4
Driver/Trainer/Conducteur ou entraîneur	0	0	1	0
Jockey Agent/Agent de jockeys	4	4	0	0
Officials/Officiels	4	10	0	4
Backstretch – occupational / Zone de l'avant-dernier droit – professionnel	154	95	21	2
Occ. 1 (assoc., kit. sec., test barn, etc.)/Occ. 1 (assoc., sec. kit., écurie de rétention, etc.)	71	116	0	3
Occ. 2 (press, daycare, etc.)/Occ. 2 (presse, garderie, etc.)	1	1	0	0
Occ. 3 (tradesmen, video, EMT, etc.)/Occ. 3 (gens de métier, vidéo, technicien en soins médicaux d'urgence, etc.)	14	21	0	3
Occ. 5 (veterinarians, etc.)/Occ. 5 (vétérinaires, etc.)	6	8	0	0
Vet assistant/Tec/Aide-vétérinaire ou tec.	8	10	0	0
<b>Total Licenses Issued/ Total des licences délivrées</b>	<b>425</b>	<b>411</b>	<b>54</b>	<b>43</b>

<b>Registrations and Non-Occupational/ Enregistrements et non professionnel</b>	<b>Thoroughbred/ Purs-sangs</b>		<b>Standardbred/ Standardbred</b>	
	<b>2020/21</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2019/20</b>
Owners/Propriétaires	<b>324</b>	322	<b>18</b>	19
Owners with groom licences/Propriétaires ayant des licences de palefreniers	<b>29</b>	22	<b>10</b>	11
Sponsored persons/Personnes parrainées	<b>13</b>	24	<b>0</b>	0
Partnerships/Partenariats	<b>112</b>	114	<b>4</b>	5
Stable names/Noms des écuries	<b>92</b>	70	<b>0</b>	0
Colours/Couleurs	<b>27</b>	35	<b>0</b>	0
Leases/Locations	<b>0</b>	0	<b>0</b>	0
Authorized agents/Agents autorisés	<b>161</b>	137	<b>0</b>	0
<b>Total Non-Occupational/ Total des non professionnels</b>	<b>758</b>	724	<b>32</b>	35

## **RULINGS, FINES AND SUSPENSIONS/DÉCISIONS, AMENDES ET SUSPENSIONS**

<b>Thoroughbred/ Purs-sangs</b>	<b>2020/21</b>	<b>2019/20</b>
Rulings stewards/Commissaires des décisions	<b>31</b>	24
Commission rulings/Décisions de la Commission	<b>0</b>	1
Fines/Amendes	<b>\$6,350.00</b>	\$4,900.00
<b>Standardbred/ Standardbred</b>	<b>2020/21</b>	<b>2019/20</b>
Rulings/Décisions	<b>18</b>	22
Fines/Amendes	<b>\$2,063.80</b>	\$1,775.00

## MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available. The financial information presented elsewhere in the annual report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance as to the reliability and accuracy of financial information, and to ensure that the assets of the Manitoba Horse Racing Commission are properly safeguarded.

The responsibility of the auditor is to express an independent professional opinion as to whether the financial statements are presented fairly, in all material respects.



**Kristianne Dechant**

**Executive Director  
June 1, 2021**

## RAPPORT DE GESTION

Les états financiers ci-joints sont la responsabilité de la direction et ont été préparés conformément aux principes comptables canadiens généralement reconnus. À notre avis, les états financiers ont été convenablement préparés à l'intérieur des limites de l'importance relative des renseignements, en y incorporant le meilleur jugement de la direction en ce qui a trait aux estimations requises ainsi que toutes autres données disponibles. L'information financière présentée ailleurs dans ce rapport annuel est conforme à ce que l'on retrouve dans les états financiers.

La direction maintien des contrôles internes afin d'assurer, et ce dans la mesure du possible, que l'information financière est précise et fiable et aussi que les avoirs de la commission hippique du Manitoba soient bien protégés.

La responsabilité du vérificateur consiste à formuler une opinion professionnelle indépendante quant à la justesse des états financiers, à tous égards importants.



**Kristianne Dechant**

**Directrice générale  
Le 1 juin 2021**

# MANITOBA HORSE RACING COMMISSION

## Financial Statements

For the year ended March 31, 2021

### Contents

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Independent Auditor's Report	<b>10</b>
Financial Statements	
Statement of Financial Position	<b>12</b>
Statement of Operating Revenue and Expenses and Fund Balances	<b>13</b>
Statement of Cash Flows	<b>14</b>
Notes to the Financial Statements	<b>15</b>
Supplementary Financial Information	
Schedule of General and Administrative Expenses	<b>21</b>
Schedule of Public Sector Compensation	<b>21</b>



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201 Portage Avenue - 26<sup>th</sup> Floor  
Winnipeg MB R3B 3K6 Canada

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## Independent Auditor's Report

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To the Board of Commissioners of Manitoba Horse Racing Commission

### Opinion

We have audited the accompanying financial statements of Manitoba Horse Racing Commission the "Commission"), which comprise the statement of financial position as at March 31, 2021, and the statement of operating revenue and expenses and fund balances and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2021, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepting auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of our audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
June 17, 2021

MANITOBA HORSE RACING COMMISSION  
Statement of Financial Position  
March 31, 2021

2021 2020

	Restricted Funds						Total
	General Fund	Capital Assets Fund	Pari-Mutuel Levy Fund	Standardbred Fund	HBPB Fund	CTHS Fund	
<b>Assets</b>							
<b>Current Assets</b>							
Cash	\$124,249	-	-	\$1,553	\$6,111	\$1,602	\$133,515
Long-term Investment (Note 2)	203,271	-	-	-	-	-	203,271
Capital Assets (Note 3)	-	-	-	-	-	-	-
Receivable from the Province of Manitoba (Note 4)	258,564	-	-	-	-	-	258,564
	461,835	-	-	-	-	-	461,835
	\$586,084	-	-	\$1,553	\$6,111	\$1,602	\$595,350
							\$ 547,215
<b>Liabilities and Fund Balances</b>							
<b>Current Liabilities</b>							
Accounts Payable and Accrued Liabilities (Note 5)	\$68,234	-	-	\$1,553	\$6,111	\$1,602	\$77,500
Provision for Employee Pension Benefits (Note 4)	461,835	-	-	-	-	-	461,835
	530,069	-	-	1,553	6,111	1,602	539,335
<b>Fund Balances</b>							
Unrestricted	56,015	-	-	-	-	-	56,015
Invested in Capital Assets	-	-	-	-	-	-	(21,117)
	56,015	-	-	-	-	-	(21,117)
	\$586,084	-	-	\$1,553	\$6,111	\$1,602	\$595,350
							\$547,215

Approved on behalf of the Commission:



Chair



Executive Director

The accompanying notes are an integral part of these financial statements



# MANITOBA HORSE RACING COMMISSION

## Statement of Operating Revenue and Expenses and Fund Balances

For the year ended March 31, 2021

2021      2020

	Restricted Funds							Total
	General Fund Assets	Capital Fund	Pari-Mutuel Levy Fund	Standardbred Fund	HBPB Fund	CTHS Fund	Total	
<b>Revenue</b>								
Fees, Licenses and Fines (Note 6)	\$173,429	-	-	-	-	-	\$173,429	\$168,355
Grant from Manitoba Justice	-	-	-	-	-	-	-	138,000
Interest	46	-	-	-	-	-	46	4,882
Pari-Mutuel Levy	-	-	2,187,077	-	-	-	2,187,077	2,056,857
Sundry	-	-	-	-	-	-	-	306
	<u>173,475</u>	<u>-</u>	<u>2,187,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,360,552</u>	<u>2,368,400</u>
<b>Expenses</b>								
Operating Expenses (Schedule 1)	323,693	-	-	-	-	-	323,693	537,069
Overnight Purse Support	-	-	-	328,062	1,288,258	343,407	1,959,727	1,841,635
Thoroughbred Amortization	-	-	-	-	-	-	-	5,977
	<u>323,693</u>	<u>-</u>	<u>-</u>	<u>328,062</u>	<u>1,288,258</u>	<u>343,407</u>	<u>2,283,420</u>	<u>2,384,681</u>
Excess (deficiency) of revenue over expenses	(150,218)	-	2,187,077	(328,062)	(1,288,258)	(343,407)	77,132	(16,281)
Pari-Mutuel Levy Fund transfer	227,350	-	(2,187,077)	328,062	1,288,258	343,407	-	-
Fund Balances, beginning of year	(21,117)	-	-	-	-	-	(21,117)	(4,836)
Fund Balances, end of year	<u>\$56,015</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$56,015</u>	<u>\$(21,117)</u>

The accompanying notes are an integral part of these financial statements

# MANITOBA HORSE RACING COMMISSION

## Statement of Cash Flows

For the year ended March 31, 2021

	2021	2020
Cash Flows from (used in) Operating Activities		
Excess (deficiency) of revenue over expenses	\$77,132	\$(16,281)
Amortization	-	5,977
	<u>77,132</u>	<u>(10,304)</u>
Changes in non-cash working capital balances		
Receivable from the Province of Manitoba	(74,639)	(35,045)
Accounts payable and accrued liabilities	(23,010)	(389,751)
Provision for Employee Pension Benefits	(5,987)	39,754
	<u>(26,504)</u>	<u>(395,346)</u>
Cash Flows from (used in) Investing Activities		
Net change in investments	<u>80,626</u>	<u>(4,709)</u>
Increase (decrease) in cash and bank during the year	54,122	(400,055)
Cash, beginning of the year	<u>79,393</u>	<u>479,448</u>
Cash, end of the year	<u>\$133,515</u>	<u>\$79,393</u>

The accompanying notes are an integral part of these financial statements.

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# MANITOBA HORSE RACING COMMISSION

## Notes to the Financial Statements

For the year ended March 31, 2021

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### 1. Nature of the Organization and Significant Accounting Policies

#### Nature of the Organization

Manitoba Horse Racing Commission (the "Commission") was established under The Horse Racing Commission Act to govern, direct, control and regulate horse racing and the operations of horse race tracks in Manitoba. The Commission's sustainability is dependent upon ongoing financial resources realized through The Horse Racing Commission Act.

The operating expenses of the Commission in excess of revenue derived from its regulatory activities may be funded by a grant from the Department of Justice, interest earned on the general fund, as well as a proportionate share of the pari-mutuel levy according to the plan of distribution established under The Pari-Mutuel Levy Act.

Revenues and expenses related to program delivery and administrative activities of the Commission are reported in the general fund. The capital asset fund represents the net investment of the Commission in capital assets.

The Pari-Mutuel Levy Act was established in 1997 to provide for the establishment of a pari-mutuel levy fund for the promotion of horse racing in Manitoba. The levy is collected by the Commission and distributed in accordance with a plan of distribution, which is approved by the Minister of Finance.

The standardbred fund is used for funding of harness racing. Funding for the standardbred fund is provided through The Pari-Mutuel Levy Act based on the plan of distribution.

The Horsemen's Benevolent Protection Association (HBPA) fund is to be used for overnight purses at Assiniboia Downs. Funding for the HBPA fund is provided through The Pari-Mutuel Levy Act based on the plan of distribution.

The Canadian Thoroughbred Horsemen Society (CTHS) fund is to be used for breeders' and owners' incentives at Assiniboia Downs. Funding for the CTHS fund is provided through The Pari-Mutuel Levy Act based on the plan of distribution.

#### Basis of Accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards and include the following significant accounting policies:

#### Fund Accounting

The Commission follows the restricted fund method of accounting for contributions, and maintains six funds: general fund, capital asset fund, pari-mutuel levy fund, standardbred fund, HBPA fund, and CTHS fund.

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# MANITOBA HORSE RACING COMMISSION

## Notes to the Financial Statements

For the year ended March 31, 2021

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### 1. Nature of the Organization and Significant Accounting Policies (continued)

#### Revenue Recognition

Restricted contributions including pari-mutuel levy are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions including fees, licenses, fines and interests are recognized as revenue of the general fund in the year received or receivable if the amount to be received can be estimated and collection is reasonably assured.

Funding from the Province of Manitoba includes the Commission's share of provisions recorded for unfunded pension liabilities.

#### Pension Costs

Employees of the Commission are pensionable under The Civil Service Superannuation Act. Pension costs consist of the employer's share of pension benefits paid to retired employees, as well as the increase in the employee pension benefits liability during the fiscal year. This liability is determined actuarially every three years with the balances for the intervening years determined by formula provided by the actuary. The most recent valuation was completed as at December 31, 2019. Actuarial gains and losses are amortized over the average remaining service life of employees, commencing in the year following when the actuarial gain or loss arises.

#### Severance Payable

Severance payable is based on the Collective Agreement with the Manitoba Government and General Employee's Union and is recorded at cost based on years of service to March 31, 2021.

#### Measurement Uncertainty (Use of Estimates)

The preparation of financial statements in conformity with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

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# MANITOBA HORSE RACING COMMISSION

## Notes to the Financial Statements

For the year ended March 31, 2021

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### 1. Nature of the Organization and Significant Accounting Policies (continued)

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

#### Fund Transfers

##### i) Capital asset fund transfer

Fund transfers represent allocations from the general fund to the capital asset fund for capital acquisitions.

##### ii) Pari-mutuel levy fund transfer

A pari-mutuel levy is collected by the Commission for the promotion of horse racing in Manitoba. The Pari-Mutuel Levy Fund is then distributed in accordance with the plan of distribution.

#### Capital Assets

Capital assets are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

Security equipment	10 years
Computer equipment	5 years
Furniture and fixtures	10 - 20 years

#### Financial Instruments

The financial instruments of the Commission consist of cash, receivable from the Province of Manitoba - pension, long-term investment, and accounts payable and accrued liabilities.

All of the Commission's financial instruments are carried at cost or amortized cost.

If an impairment loss is determined by the Commission and there is no realistic prospect of recovery the financial asset(s) are written down to net recoverable value with the writedown being recognized in the statement of operating revenue and expenses and fund balances.

### 2. Long-term Investment

The Province of Manitoba has confirmed that it intends to pay in full the March 31, 2008 receivable balance related to prior years' funding for the pension liability. This payment was placed in an interest-bearing trust account on March 31, 2009 and is held on behalf of the Commission until the cash is required to discharge the related liabilities. Accordingly, this investment is classified as long-term.

**MANITOBA HORSE RACING COMMISSION**  
Notes to the Financial Statements

For the year ended March 31, 2021

**3. Capital Assets**

	2021			2020		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Security equipment	\$ 13,118	\$ 13,118	\$ -	\$ 13,118	\$ 13,118	\$ -
Furniture and fixtures	7,571	7,571	-	7,571	7,571	-
Computer equipment	12,299	12,299	-	12,299	12,299	-
	\$ 32,988	\$ 32,988	\$ -	\$ 32,988	\$ 32,988	\$ -

**4. Provision for Employee Pension Benefits**

The Commission records the pension liability and the related pension expense, including an interest component, in its financial statements. An actuarial valuation of the employee pension benefit liability as at December 31, 2019 was conducted by Ellement Consulting Group. The key actuarial assumptions were a rate of return of 5.75% (5.75% in 2018), 2.00% inflation (2.00% in 2018), salary rate increases of 3.50% (3.50% in 2018), discount rate of 5.75% (5.75% in 2018) and post retirement indexing at 2/3 of the inflation rate. The service to date projected benefit method was used and the liabilities have been estimated to March 31, 2021 using a formula provided by the actuary and adjusted for a provision for adverse experience and a trust fund credit.

The Province of Manitoba has accepted responsibility for the pension liability, net of the long-term investment balance. The Commission has therefore recorded an amount recoverable from the Province of Manitoba of \$258,564 (\$183,925 in 2020) equal to the estimated value of its actuarially-determined liability in its financial statements less the long-term investment balance. The Province makes payments on the receivable when it is determined that the funding is required to discharge the related pension obligation. Total pension expense of \$35,964 (\$47,736 in 2020) has been recorded in the statement of operating revenue and expenses.

Provision for employer's share of employee's pension plan:

	2021	2020
Accrued benefit obligation, beginning of year	\$ 467,822	\$ 428,068
Benefits accrued	9,557	28,671
Interest accrued on benefits	28,326	27,241
Benefits paid	(49,432)	(22,705)
Experience loss	83,605	5,607
Change in trust account held by Province of Manitoba	-	376
Pension paid out	(80,627)	-
Change in assumptions	2,584	564
Balance, end of year	\$ 461,835	\$ 467,822

**MANITOBA HORSE RACING COMMISSION**  
Notes to the Financial Statements

For the year ended March 31, 2021

5. Accounts Payable and Accrued Liabilities

	2021	2020
Severance payable	\$ 56,239	\$ 40,000
Accounts payable	10,889	50,138
Accrued liabilities	10,372	10,372
	\$ 77,500	\$ 100,510

6. Fees, Licenses and Fines

	2021	2020
Assiniboia Downs		
Daily licenses	\$ 134,865	\$ 135,220
Fees and licenses	28,965	25,965
Fines	6,350	4,500
	170,180	165,685
Rural Circuit		
Fees and licenses	1,250	1,090
Fines	1,999	1,580
	3,249	2,670
	\$ 173,429	\$ 168,355

7. Financial Instruments

The Commission has exposure to the following risks from its use of financial instruments:

Liquidity Risk

Liquidity risk arises from the possibility of the Commission having insufficient financial resources to meet its financial obligations when they come due. The Commission mitigates this risk through cash management. Accounts payable and accrued liabilities are typically paid when due.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to cash and long-term investment. The interest rate risk on cash and long-term investment is considered to be low due to their short-term nature and the long-term investment is reinvested annually.

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MANITOBA HORSE RACING COMMISSION  
Notes to the Financial Statements

For the year ended March 31, 2021

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7. Financial Instruments (continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments that potentially subject the Commission to credit risk consist principally of cash, long-term investment, accounts receivable and receivable from Province of Manitoba - pension.

Cash is not exposed to significant credit risk as cash is held with a large reputable financial institution.

Long-term investment and receivable from Province of Manitoba - pension are not exposed to significant credit risk as both are with the Province of Manitoba.

Accounts receivable is not exposed to significant credit risk as payment in full is typically collected when due. No allowance for doubtful accounts is required.

Foreign Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Commission is not exposed to significant foreign currency risk, as it does not have any financial instruments denominated in foreign currency.

8. Related Party Transactions

In addition to those related party transactions disclosed elsewhere in these financial statements, the Commission is related in terms of common ownership to all Province of Manitoba-created departments, agencies and Crown corporations. The Commission enters into transactions with these entities in the normal course of business. These transactions are recorded at the exchange amount.

9. Subsequent Event

The Horse Racing Regulatory Modernization Act (Liquor, Gaming and Cannabis Control Act and Pari-Mutuel Levy Act Amended), to transfer responsibility for the regulation of all types of horse racing in Manitoba to the Liquor, Gaming and Cannabis Authority of Manitoba, was passed by the Royal Assent on May 21, 2021. The Act will not be proclaimed or enforced until subsequent to the 2021 live racing season.



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**MANITOBA HORSE RACING COMMISSION**  
**Schedule of General and Administrative Expenses**

For the year ended March 31	2021	2020
Commissioners' per diem and honoraria	\$ 2,891	\$ 4,287
Drug, alcohol and security	10,185	7,677
Employee benefits	16,719	40,426
Equipment and office furniture	155	2,950
Insurance	1,703	1,808
Membership and dues	-	9,379
Office	10,508	22,987
Pension cost	35,964	47,736
Professional fees	9,312	4,681
Salaries		
Administration	54,139	174,229
Security	-	6,318
Stewards and judges	112,468	123,867
Veterinarian services	45,807	53,306
Support grant	15,343	17,530
Telephone	8,331	9,597
Travel	168	10,291
	\$ 323,693	\$ 537,069

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**MANITOBA HORSE RACING COMMISSION**  
**Schedule of Public Sector Compensation**

**For the year ended December 31, 2020**

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Note on Basis of Accounting

Pursuant to Section 2 of The Public Sector Compensation Disclosure Act, the Commission must disclose to the public in accordance with the Act the amount of compensation that it pays or provides in the year directly or indirectly. Compensation means compensation pursuant to any arrangement, including an employment contract, calculated to include the total value of all cash and non-cash salary or payments, allowances, bonuses, commissions, or perquisites.

Aggregate compensation of all Commissioners: \$ 1,990

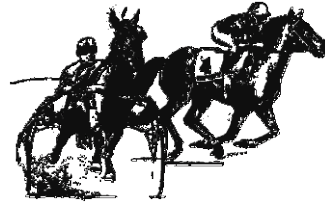
There are no other amounts meeting the requirement for disclosure.

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**Manitoba**



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**Manitoba  
Horse Racing  
Commission**

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